

Andy C. Warshaw, Esq. (State Bar No. 263880)
Financial Relief Law Center, APC
1200 Main St., Suite C
Irvine, CA 92614
Direct Phone: 714-442-3319
Facsimile: 714-361-5380
Email: awarshaw@bwlawcenter.com

Attorneys for Debtor in Possession

FILED & ENTERED

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CLERK U.S. BANKRUPTCY COURT
Central District of California
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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA – SANTA ANA DIVISION

In re

2nd CHANCE INVESTMENT GROUP, LLC

Debtor and Debtor in Possession.

Case No. 8:22-bk-12142-SC

Chapter 11

**ORDER CONFIRMING DEBTOR'S
FIRST AMENDED CHAPTER 11
LIQUIDATING PLAN AS MODIFIED**

Plan Confirmation Hearing:

Date: February 8, 2024

Time: 11:00 am

Place: United States Bankruptcy Court
411 West Fourth Street
Courtroom 5C - Virtual
Santa Ana, CA 92701-4593

On February 8, 2024, the Court held a Zoom.gov hearing (the "Confirmation Hearing") on confirmation of the Debtor's First Amended Liquidating Plan as Modified, filed as Docket #296-1 (the "Plan") in the above-captioned chapter 11 bankruptcy case. Appearances were made as noted on the record. Capitalized terms not otherwise defined herein shall have the same meaning ascribed to them in the Plan.

The Court having considered the Plan and all of the pleadings filed in support of Plan and the entire record of this Case, the evidence and argument presented on the record at the Confirmation Hearing, finding that notice and service were proper, good cause appearing therefor and based upon the findings and conclusions of law as stated by the Court in connection with the Confirmation Hearing,

1 IT IS ORDERED:

2 1. The Plan is confirmed in its entirety pursuant to section 1129(a) and, where
3 applicable, section 1129(b) of the Bankruptcy Code. The terms of the Plan, exhibits to the Plan
4 and the Disclosure Statement, and any other documents filed in connection with the Plan and/or
5 executed or to be executed in connection with the transactions contemplated by the Plan, made in
6 connection with the Plan, are expressly incorporated into, and form an integral part of, this Order.

7 2. The Debtor and the Liquidating Trustee are authorized to take all actions
8 necessary, appropriate, or desirable to enter into, implement and consummate the contracts,
9 agreements or other documents created or to be executed in connection with the Plan, including,
10 but not limited to, the Liquidating Trust Agreement. Without further order or authorization of
11 this Court, the Debtor and/or the Liquidating Trustee and their successors are authorized and
12 empowered to make all modifications to the Liquidating Trust Agreement that are consistent with
13 the Plan. The executed version of the Liquidating Trust Agreement shall constitute legal, valid,
14 binding, and authorized obligations of the respective parties thereto, enforceable in accordance
15 with their terms.

16 3. The Effective Date of the Plan will be the first day of the month that is at least
17 fifteen days after the date an order confirming the Plan is entered. The Debtor shall file a notice
18 with the Court indicating the occurrence of the Effective Date.

19 4. On the Effective Date or soon thereafter, the Debtor shall enter into the
20 Liquidating Trust Agreement. The form of the Liquidating Trust Agreement attached as Exhibit
21 "1" to the Disclosure Statement is hereby approved, and the Debtor and the Liquidating Trustee
22 are authorized to enter into and execute the Liquidating Trust Agreement and take all other
23 necessary steps to establish and implement the Liquidating Trust.

24 5. The appointment of and compensation terms for David Goodrich as the
25 Liquidating Trustee under the Liquidating Trust Agreement as set forth in the Plan and Disclosure
26 Statement are hereby approved.

27 6. On the Effective Date, all right, title and interest of the Debtor and the Estate in
28 property and assets of any kind (the "Trust Property") shall be, and shall be deemed to be,

1 irrevocably transferred, absolutely assigned, conveyed, set over and delivered to the Liquidating
2 Trust, in trust to and for the benefit of the beneficiaries of the Liquidating Trust for the uses and
3 purposes stated in the Plan and in the Liquidating Trust Agreement, free and clear of any and all
4 liens, claims, encumbrances and interests (legal, beneficial or otherwise) of all other entities to the
5 maximum extent contemplated by and permissible under section 1141(c) of the Bankruptcy Code,
6 except for any liens existing against the assets of the Debtor which liens shall transfer to the
7 assets transferred to the Liquidating Trust (i.e., the Trust Property with the same validity, scope,
8 and priority as such liens had against the assets of the Debtor immediately prior to such transfer).
9 To the extent that certain assets of the Debtor's or the Debtor's Estate (and their right, title and
10 interest in such assets), because of their nature or because they will accrue subsequent to the
11 Effective Date, cannot be irrevocably transferred, absolutely assigned, conveyed, set over or
12 delivered to the Liquidating Trust on the Effective Date, such assets shall be deemed assigned, set
13 over, transferred and conveyed to the Liquidating Trust as soon as practicable after the Effective
14 Date. The Liquidating Trustee is hereby granted the Power of Attorney to execute documents on
15 behalf of the Debtor, as reasonably determined by the Liquidating Trustee (in recordable form
16 where necessary or appropriate) to vest or perfect in or confirm to the Liquidating Trustee or the
17 Liquidating Trust title to and possession of the Trust Property.

18 7. The Official Committee of Unsecured Creditors ("Committee") shall remain in place
19 post-confirmation for the purpose of pursuing preferences, fraudulent transfers, and other related
20 claims under Sections 502(d), 510, 544, 545, 547, 548, 549, 550 and 553 of the Bankruptcy Code,
21 or any avoidance actions under applicable non-bankruptcy law claims and claim objections within
22 the scope of the Stipulation between the Debtor and the Committee (the "Claims") that is attached
23 to the Plan as Exhibit C and which was incorporated into the Plan and shall continue in effect
24 post-confirmation. Therefore, notwithstanding anything to the contrary in paragraph 6 above, the
25 Claims shall remain within the exclusive standing of the Committee and shall not vest in the
26 Liquidating Trustee or his successors. The Committee has the right to continue to prosecute
27 pending Claims and to commence litigation or take other collection action with regard to any
28 remaining Claims that are within its exclusive standing to assert and prosecute.

1 The transfer of assets of the Estate to the Liquidating Trust shall not constitute a
2 distribution under 28 U.S.C. § 1930(a)(6).

3 8. All allowed claims against the Debtor will be treated in the manner set forth in the
4 Plan.

5 9. The provisions of the Plan and this Order are hereby binding on each claim and
6 interest holder of the Debtor and any other party in interest in the Debtor's chapter 11 case,
7 whether or not the claim or interest of such party is impaired under the Plan and whether or not
8 such party has filed, or is deemed to have filed, a proof of claim or interest or has accepted, or is
9 deemed to have accepted, or rejected, or is deemed to have rejected, the Plan.

10 10. On or after the Effective Date, the Liquidating Trustee and Committee shall
11 continue as a plaintiff in all litigation or causes of action (on behalf of beneficiaries of the
12 Liquidating Trust) in which the Debtor or Committee were plaintiff prior to the Effective Date
13 and may pursue any unfiled claims, including the Claims, that are within their respective standing
14 to bring. On the Effective Date, all causes of action that belong to the Debtor and/or the Debtor's
15 Estate shall be deemed assigned to the Liquidating Trustee for analysis by, and if appropriate
16 pursuit by, the Liquidating Trustee, with the exception of the Claims, which pursuant to the Plan
17 the Committee shall have the exclusive standing to pursue. All recoveries and proceeds arising
18 from litigation and causes of action shall be deemed assigned, set over, transferred, and conveyed
19 to the Liquidating Trust upon the Liquidating Trustee's receipt thereof. All fees and costs of the
20 Liquidating Trust (and agents thereof) arising from or relating to pursuing litigation or causes of
21 action or other services performed at the request of the Liquidating Trustee on behalf of the
22 Liquidating Trust shall be paid as a first priority in right of distribution from the Liquidating
23 Trust.

24 11. On and after the Effective Date, in addition to the rights provided to the
25 Liquidating Trustee in the Liquidating Trust Agreement, the Liquidating Trustee shall have the
26 power and authority to prosecute and resolve objections to disputed secured claims, disputed
27 administrative claims, disputed priority tax claims, disputed priority non-tax claims and disputed
28 general unsecured claims. The Liquidating Trustee shall have the right, power, and authority to

1 retain and assert all defenses, rights of setoff, recoupment, and counterclaims with respect to each
2 of the foregoing. The Liquidating Trustee shall also have the power and authority to hold, manage
3 and distribute Plan distributions to the holders of allowed claims consistent with this Plan and the
4 Liquidating Trust Agreement.

5 12. The Debtor will not receive a discharge under the Plan pursuant to and in
6 accordance with the provisions of section 1141 of the Bankruptcy Code because the Plan
7 contemplates and will result in a sale or liquidation of all or substantially all the property of the
8 Debtor's estate.

9 13. On the Effective Date, and after the transfer of the Trust Property to the
10 Liquidating Trust, the Debtor shall be dissolved, or shall otherwise wind down, under applicable
11 law.

12 14. Upon the Effective Date, the Debtor's board of directors shall be dissolved.

13 15. To the maximum extent permitted by law, neither the Debtor, the Liquidating
14 Trust, the Liquidating Trustee, nor any of their employees, officers, directors, shareholders,
15 agents, members, representatives, or professionals employed or retained by any of them, shall
16 have or incur any liability to any person or entity for any act taken or omission made in good faith
17 in connection with or related to the formulation and implementation of this Plan or the
18 Liquidating Trust Agreement, or any contract, instrument, release, or other agreement or
19 document created in connection therewith, the solicitation of acceptances for or confirmation of
20 this Plan, or the consummation and implementation of this Plan and the transactions contemplated
21 therein.

22 16. On the Effective Date, all executory contracts and unexpired leases of the Debtor
23 will be deemed rejected, other than executory contracts and unexpired leases that were previously
24 assumed, assumed and assigned, or rejected by final order of the Bankruptcy Court (which
25 contracts will be treated in accordance with such final order).

26 17. Any professional seeking allowance of a professional fee claim for services
27 rendered prior to the Effective Date in connection with the Debtor's Case must (1) file their
28 application for allowance of compensation and reimbursement of expenses on or before 45 days

1 after the Effective Date or such other date as may be set by the Court, and (2) have the fees and
2 expenses allowed by a final order. Any party in interest may file an objection to such an
3 application within the time provided by the Local Bankruptcy Rules or within any other period
4 that the Court sets. Persons holding professional fee claims who do not timely file and serve their
5 applications for payment will be forever barred from asserting these claims against the Estate or
6 the Liquidating Trust.

7 18. The post-confirmation fees of Debtor's counsel, the Liquidating Trustee and his
8 professionals and counsel for the Committee will be paid pursuant to the Plan without the need
9 for any further order of the Court.

10 The Court shall retain all authority and jurisdiction as provided under the Bankruptcy
11 Code and other applicable law and the Plan to enforce the provisions, purposes and intent of the
12 Plan or any modification thereof, including, without limitation, for the purposes set forth in the
13 Plan.

14 19. The Debtor, the Liquidating Trust, and the Liquidating Trustee shall have all of the
15 benefits and protections afforded under section 1125(e) of the Bankruptcy Code and applicable
16 law.

17 20. This Order is a final order, and the period in which an appeal must be filed shall
18 commence immediately upon the entry of hereof.


19 21. To the extent that the terms of the Plan are inconsistent with the terms of any
20 agreement or instrument concerning any claim, any interest, or any other matter, the terms of the
21 Plan shall control. To the extent that the terms of this Order are inconsistent with the terms of the
22 Plan, by reason of, among other things, any modifications made to the Plan resulting from this
23 Order, the terms of this Order shall control.

24 22. The Liquidating Trustee shall file with the Court and serve on the Office of the
25 United States Trustee ("UST") quarterly financial reports in a format prescribed by the UST, and
26 the Liquidating Trustee shall cause to be paid out of the Trust Assets to the UST all post-
27 confirmation quarterly fees based on disbursements made by the Liquidating Trust under the Plan
28 until a final decree has been entered closing the Debtor's chapter 11 case.

1 23. A post-confirmation status conference shall be held on June 12, 2024, at 11:00 a.m.
2 in the above-captioned court with a status report due on or before May 29, 2024. The Liquidating
3 Trustee shall file a post-confirmation status report with the Court fourteen days prior to the post-
4 confirmation status conference, which report shall include with it a declaration signed by someone
5 with personal knowledge of the facts attested to therein.

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24 Date: February 12, 2024
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Scott C. Clarkson
United States Bankruptcy Judge